R J Reynolds Tobacco Company

Inter Office Memo

TO: RJR Account Managers - Peer Marketing -- Distributors of Forsyth Brands

FROM: Larry Schreiber

CC: Region Operations Managers
Area Vice Presidents
Jim Farmer

SUBJECT: Peer Marketing Distributor's -- "Inactive" Status (Purchasing and Selling) Forsyth Brands

DATE: March 13, 1996

We have reviewed the past 12 month's purchase records of all Peer Marketing Distributors from February 1995, through February 1996. Out of the entire membership, we have identified 43 associate members and 17 shareholder members whose lack of purchases in a 90-day period of their Forsyth Brand causes them to change their active status to inactive, and will lose their right to continue to purchase their specific Forsyth Brand they have failed to order -- if they do not re-order within 30 days.

The Peer Marketing/Forsyth Tobacco Private Label Agreement states that any participant in our cigarette program may (at RJR's election) lose their right to continue purchasing a Forsyth Tobacco Private Label Brand by:

A) Discontinuing its purchases of Private Label Product for a period of at least ninety (90) consecutive days.

B) Fail to order in any ninety (90) day period a quantity of the Private Label Product that equals or exceeds 5% of your total purchases from RJR.

Furthermore, we must assure product freshness, as well as effectively manage any excess inventories we are caused to carry in public warehouses which becomes a problem due to very limited purchases.

As a result of the above, Peer Marketing Associates will do the following between now and March 31, 1996:

- Peer will mail to specific "inactive" Peer Members a letter (copy attached), along with each member's 12-month volume report notifying them they must elect one of two options and return their selected option to Vince Montini, Peer Marketing, by April 8, 1996.

Option I

☐ I do not wish to continue to purchase the Forsyth Tobacco Brand (name of brand) and relinquish all rights to purchase and the sale of said brand from Forsyth. (In making this election, R. J. Reynolds will subsequently, by mail, confirm your decision.)

OR

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Source: https://www.industrydocuments.ucsf.edu/docs/pxcy0000

Option II

☐ I intend to purchase the Forsyth Brand (name of brand) within the next 30 days and want an R. J. Reynolds representative to call on me.

Next Steps:

- Be aware that your Peer Distributor will receive the letter from Peer and must notify Peer of its elected option by April 8, 1996.
- Peer will return all responses to Gwen Scott, Forsyth Tobacco Assistant Manager.
- RJR will, via written correspondence, notify members who selected Option I (discontinue brand) of their ineligibility to purchase the brand.
- RJR Account Managers will be directed to contact those members who selected Option II and determine if they are planning to actively buy and sell the brand, using any or all of their accrual funds. If they show no interest at that time, you can recommend to Gwen Scott that the Peer Distributor now wishes to drop the brand.

After April 8, 1996, when RJR receives the members' responses from its Peer members, Gwen Scott will inform you of each Distributor's election.

Attachment

Source: https://www.industrydocuments.ucsf.edu/docs/pxcy0000